

BlockFi Inc.
Debtor

Case No. 22-19361
Reporting Period: October 1 - 24, 2023

MONTHLY OPERATING REPORT
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Notes to the Monthly Operating Report

This report includes activity from the following Debtor and its related Case Number:

Debtor	Case Number
BlockFi Inc.	22-19361

Notes to MOR:

On November 28th, 2022 (the "Petition Date"), BlockFi Inc. and eight of its affiliates (collectively, the "Debtors" or the "Company") filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. The Debtors are operating their business and managing their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On November 28, 2022, the court entered an order [Docket No. 18] authorizing joint administration and procedural consolidation of these Chapter 11 cases pursuant to Bankruptcy Rule 1015(b) under the lead case *In re BlockFi Inc., et al.*, Case No. 22-19361. On December 21, 2022, the United States Trustee for the District of New Jersey (the "U.S. Trustee") appointed an Official Committee of Unsecured Creditors (the "Creditors Committee") [Docket No. 131]. No request for the appointment of a trustee or examiner has been made in these Chapter 11 cases. On October 3, 2023 the Court entered an order confirming the Debtors' chapter 11 plan [Docket No. 1655]. On October 24, 2023 the Debtors' chapter 11 plan became effective [Docket No. 1788].

The Debtors are filing their Monthly Operating Report solely for the purposes of complying with the monthly operating report requirements applicable in the Debtors' Chapter 11 cases. The financial and supplemental information contained herein is presented on a preliminary and unaudited basis, remains subject to future adjustments, and may not comply in all material respects with generally accepted accounting principles in the United States of America ("U.S. GAAP") or International Financial Reporting Standards ("IFRS"). The consolidated balance sheet and income statement included herein include non-debtor entities, each of which are dormant entities with less than USD 10,000 in cash or cash equivalent assets. This Monthly Operating Report should not be relied on by any persons for information relating to future financial conditions, events, or performance of any of the Debtors or their affiliates. The financial information has been derived from the books and records of the Debtors. This information, however, has not been subject to certain procedures that would typically be applied to financial information in accordance with U.S. GAAP or IFRS, and upon application of such procedures, the Debtors believe that the financial information could be subject to changes, which could be material. The information furnished in this report includes primarily normal recurring adjustments but does not include all adjustments that would typically be made for financial statements prepared in accordance with U.S. GAAP or IFRS. The preparation of the Financial Statements and MOR required the Debtors to make commercially reasonable estimates and assumptions with respect to the reported amounts of assets and liabilities, the amount of contingent assets and contingent liabilities at month end, and the reported amounts of revenues and expenses during the applicable reporting periods. Actual results could differ from such estimates.

Except for cryptocurrency amounts owed to creditors and intercompany balances as of petition date, all information presented has been translated using prevailing prices as of UTC 23:59:59 as of the applicable period end.

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When determining the prices for digital assets and liabilities, the Company assesses the principal market in which to sell the digital assets or in the absence of a principal market, the most advantageous market. Market prices for such assets and liabilities may be volatile and not be readily ascertainable. In addition, the Company's ultimate realized value will be based on outcomes that are difficult to predict and outside of the control of the Company. As a result, amounts ultimately realized by the Company may differ from the fair values presented.

Client balances reflected in the financial statements and this Monthly Operating report are as of UTC 1:15:00 on November 11, 2022 (20:15:00 prevailing Eastern Time on November 10, 2022).

The Debtors reserve all rights to amend or supplement this Monthly Operating Report in all respects, as may be necessary or appropriate. Nothing contained in this Monthly Operating Report shall constitute a waiver of any of the Debtors' rights or an admission with respect to their Chapter 11 cases.

Debtor Full-Time Employees:

This MOR includes the number of full-time employees as of the Petition Date and October 24, 2023. As described in the Wages Motion [Docket No. 16], the Debtors also employ Independent Contractors located outside of the United States, whose salaries and benefits are included in the payroll amounts included in the MOR for the employing debtor entity.

Notes to MOR Part 1

For the avoidance of doubt, the bank accounts, cash balances and associated cash receipts and disbursements set forth do not include assets held in the customer accounts referred to as the BlockFi Wallet product as described in the *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to (A) Honor Withdrawals from Wallet Accounts, (B) Update the User Interface to Properly Reflect Transactions and Assets as of the Platform Pause, and (C) Conduct Ordinary Course Reconciliation of Accounts, and (II) Granting Related Relief* (the "Wallet Withdrawal Motion") [Docket No. 121]. As discussed in the Wallet Withdrawal Motion, the Debtors do not have a legal or equitable interest in the assets held in the Wallet Accounts; such held funds are owned by the Debtors' clients. Note that digital assets attributable to Wallet Accounts are separately captured in Part 2 under Inventory (2c). On May 17, 2023, the court entered an order approving the Wallet Withdrawal Motion [Docket No. 923].

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Notes to MOR Part 2 & MOR Part 4

The information contained in MOR Part 2 and MOR Part 4 is provided to fulfill the requirements of the U.S. Trustee. All information contained in MOR Part 2 and MOR Part 4 is unaudited and subject to future adjustment.

Accounts receivable (2a) represents the fair market value of digital asset loans ("Digital Asset Loans"), principal value of USD-denominated fiat and stablecoin loans without reserves ("USD Denominated Loans"), accrued and unpaid interest owed to BlockFi denominated in digital assets ("Digital Assets Receivable"), accrued and unpaid interest owed to BlockFi denominated in USD ("Interest Receivable"), default or penalty interest where applicable ("Default Interest"), and intercompany receivables between BlockFi entities ("Intercompany Receivables").

Inventory (2c) includes digital assets held in custody at entities which are not undergoing their own bankruptcy proceedings, and thus excludes digital assets BlockFi holds with FTX.com. This balance also includes digital assets currently staked and any indemnification assets held for the benefit of Wallet accounts which we do not believe to be property of the estate; the offsetting safeguarding liability is included in Prepetition Priority Debt (2l) & Post-petition Payables (2f).

Post-petition payables (2f) include general accounts payable and other accrued expenses and liabilities. Any post-petition interest accrued pursuant to the terms and conditions of any client agreements is included as liabilities subject to compromise (2m). Selling expenses (4d) and General and Administrative expenses (4e) reflect the utilization of discounts and pre-payments thus creating contra expenditures in certain instances.

Other expenses (4f) reflect the impact of price changes during the reporting period for digital asset translation adjustments. Any post-petition interest accrued pursuant to the terms and conditions of any client agreements is included as liabilities subject to compromise.

Notes to MOR Part 5

Certain professional fees were paid out of BlockFi Inc. bank accounts on behalf of BlockFi International Ltd. The professional fees included in Part 5 represent all professional fees paid out of BlockFi Inc. bank accounts either on behalf of BlockFi Inc. or on behalf of BlockFi International Ltd.

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Notes to MOR Part 7

Pursuant to certain orders of the Court in the Chapter 11 cases entered shortly after the Petition Date [Docket Nos. 43-44, 49, 50-52, and 55] (collectively, the “First Day Orders”), the Debtors were granted authority to pay certain outstanding prepetition payables, including payments outlined in the Cash Management, Tax, Utility, Insurance, Critical Vendor, and Wage Motions [Docket Nos. 7, 9-11, 13, and 16, respectively].

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SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Debtor name:	BlockFi Inc.
Case number:	Case No. 22-19361
CASH BEGINNING OF PERIOD	\$ 150,576,246
RECEIPTS	
Interest Income	-
Other Receipts	4,107,350
TOTAL RECEIPTS	4,107,350
DISBURSEMENTS	
Professional Fees	9,460,729
Salaries & Benefits	2,080,176
Operating Expenses	468,743
Taxes & Fees	76,510
Rent	-
TOTAL DISBURSEMENTS	12,086,159
NET CASH FLOW	
(RECEIPTS LESS DISBURSEMENTS)	(7,978,809)
CASH END OF MONTH	\$ 142,597,438

BlockFi Inc.
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PART 2
CONSOLIDATED BALANCE SHEET (UNAUDITED)

Debtor name:	BlockFi Inc
Case number:	22-19361
Line item	Current Period
ASSETS	
CURRENT ASSETS	
Cash	\$ 216,778,030
Restricted Cash	330,052
Stablecoin Held	29,726,773
Digital Assets Held	453,036,295
Indemnification Asset	261,376,639
Loans, Net	197,876,007
Claims on Debtors in Bankruptcy (Estimate)	1,753,155,345
Mining Assets	44,572,579
Other Current Assets	8,048,440
TOTAL CURRENT ASSETS	2,964,900,161
NON-CURRENT ASSETS	
Deferred Tax Assets	150,700,000
Deferred Tax Assets, Valuation Allowance	(150,700,000)
Other Non-current Assets	9,916,212
TOTAL NON-CURRENT ASSETS	9,916,212
TOTAL ASSETS	2,974,816,373
LIABILITIES AND STOCKHOLDERS' EQUITY	
LIABILITIES	
Other Liabilities	
Safeguarding Liability	261,376,925
Post-petition Payables	305,089
TOTAL OTHER LIABILITIES	261,682,014
Liabilities Subject to Compromise	
Customer Liabilities	1,539,669,750
USD Collateral Due to Clients	3,249,975
Digital Asset Collateral Due to Clients	488,008,969
Institutional Borrowings	112,055
FTX Borrowings and Accrued Interest Payable	279,729,452
Regulatory Fines Payable	59,433,962
Other Liabilities	18,342,115
TOTAL LIABILITIES SUBJECT TO COMPROMISE	2,388,546,278
TOTAL LIABILITIES	2,650,228,292
TOTAL STOCKHOLDERS' EQUITY	324,588,080
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,974,816,373

BlockFi Inc.
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PART 4
CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

Debtor name:	BlockFi Inc
Case number:	22-19361
Line Item	Current period
REVENUE AND INTEREST INCOME	
Interest and Fee Revenue	\$ 56,250
Other Revenue	409,937
TOTAL REVENUE AND INTEREST INCOME	466,187
INTEREST AND TRADING EXPENSES	
Interest and Fee Expense	-
TOTAL INTEREST AND TRADING EXPENSES	-
OPERATING EXPENSES	
Personnel Expenses	1,702,280
General & Administrative	7,772,216
Software & Technology	255,625
Professional Fees	9,378,102
TOTAL OPERATING EXPENSES	19,108,223
OTHER OPERATING INCOME / (LOSS)	366,361,981
NET PROFIT / (LOSS)	\$ 347,719,944

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PART 2
UNCONSOLIDATED BALANCE SHEET (UNAUDITED)

Debtor name:	BlockFi Inc
Case number:	22-19361
Line item	Current Period
ASSETS	
CURRENT ASSETS	
Cash	\$ 142,267,385
Restricted Cash	\$ 330,052
Stablecoin Held	1
Digital Assets Held	50
Indemnification Asset	-
Loans, Net	-
Intercompany Receivable from Affiliate Entities	1,014,208,278
Claims on Debtors in Bankruptcy (Estimate)	-
FTX & Alameda Claims	-
Mining Assets	-
Other Current Assets	3,019,622
TOTAL CURRENT ASSETS	1,159,825,389
NON-CURRENT ASSETS	
Deferred Tax Assets	150,700,000
Deferred Tax Assets, Valuation Allowance	(150,700,000)
Investment in Subsidiaries	1,135,992,015
Other Non-current Assets	9,875,013
TOTAL NON-CURRENT ASSETS	1,145,867,028
TOTAL ASSETS	2,305,692,417
LIABILITIES AND STOCKHOLDERS' EQUITY	
LIABILITIES	
Other Liabilities	-
Safeguarding Liability	-
Post-petition Payables	279,024
Intercompany Payable - Post-petition	11,129,906
TOTAL OTHER LIABILITIES	11,408,930
Liabilities Subject to Compromise	-
Customer Liabilities	984,923,691
USD Collateral Due to Clients	-
Digital Asset Collateral Due to Clients	-
Institutional Borrowings	-
Intercompany Payable to Affiliate Entities	689,243,420
FTX Borrowings and Accrued Interest Payable	279,729,452
Regulatory Fines Payable	-
Other Liabilities	16,298,844
TOTAL LIABILITIES SUBJECT TO COMPROMISE	1,970,195,406
TOTAL LIABILITIES	1,981,604,336
TOTAL STOCKHOLDERS' EQUITY	324,088,081
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,305,692,417

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PART 4
UNCONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

Debtor name:	BlockFi Inc
Case number:	22-19361
Line Item	Current period
REVENUE AND INTEREST INCOME	
Interest and Fee Revenue	\$ -
Other Revenue	-
TOTAL REVENUE AND INTEREST INCOME	-
INTEREST AND TRADING EXPENSES	
Interest and Fee Expense	-
TOTAL INTEREST AND TRADING EXPENSES	-
OPERATING EXPENSES	
Personnel Expenses	1,178,992
General & Administrative	911,943
Software & Technology	193,427
Professional Fees	7,629,137
TOTAL OPERATING EXPENSES	9,913,499
OTHER OPERATING INCOME / (LOSS)	40,970,971
NET PROFIT / (LOSS)	\$ 31,057,473

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10/24/23 BANK ACCOUNTS

Entity name:	Bank name	Account type	Account number (last four digits)	Period-end bank balance	Currency
BlockFi Inc	First Citizens Bank (formerly SVB)	BlockFi Inc Checking	-0719	250,000	USD
BlockFi Inc	First Citizens Bank (formerly SVB)	COLLATERAL MMA - Office Lease	-2610	330,052	USD
BlockFi Inc	First Citizens Bank (formerly SVB)	COLLATERAL MMA - Ankura Trust	-3354	-	USD
BlockFi Inc	First Citizens Bank (formerly SVB)	COLLATERAL MMA - Spartanburg	-7779	4,000,000	USD
BlockFi Inc	First Citizens Bank (formerly SVB)	SVB Cash Sweep Account	-7263	(0)	USD
BlockFi Inc	Paxos	Exchange	N/A	-	USD
BlockFi Inc	Webster Bank	BlockFi Inc Operating	-1779	48,226,468	USD
BlockFi Inc	Webster Bank	BlockFi Inc Money Market Account	-1780	-	USD
BlockFi Inc	First Citizens Bank (formerly SVB)	BlockFi Inc Business Interest Sweep	-2674	71,583,592	USD
BlockFi Inc	Evolve Bank	Kroll Escrow	-1077	18,207,326	USD
Total Debtor Amount				\$ 142,597,438	USD

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Schedule of Payments to Insiders

Debtor	Insider Name	Current Title	October 1-24 Payments	Date of Payment	Account Used	Reason for Payment
BlockFi Inc	Amit Cheela	Chief Financial Officer	\$ 21,615.38	10/6/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Megan Crowell	Chief People Officer	\$ 14,423.08	10/6/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Adam Healy	Chief Security Officer	\$ 39,772.73	10/15/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages, Contractor
BlockFi Inc	Robert Loban	Chief Accounting Officer	\$ 15,384.62	10/6/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Florencia Marquez	Chief Operation Officer	\$ 19,230.77	10/6/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Jonathan Mayers	General Counsel	\$ 21,634.62	10/6/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Zachary Prince	CEO	\$ 15,384.62	10/6/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Andrew Tam	Chief Growth Officer	\$ 14,523.08	10/6/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Amit Cheela	Chief Financial Officer	\$ 21,615.38	10/20/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Megan Crowell	Chief People Officer	\$ 14,423.08	10/20/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Robert Loban	Chief Accounting Officer	\$ 15,384.62	10/20/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Florencia Marquez	Chief Operation Officer	\$ 19,230.77	10/20/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Jonathan Mayers	General Counsel	\$ 21,634.62	10/20/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Zachary Prince	CEO	\$ 15,384.62	10/20/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Andrew Tam	Chief Growth Officer	\$ 14,523.08	10/20/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages

Debtor	Insider Name	Current Title	October 1-24 Payments	Date of Payment	Account Used	Reason for Payment
BlockFi Inc	Tony Lauro	Director	\$ 20,833.33	10/3/2023	SVB *0719	Board Salary - October
BlockFi Lending LLC	Harvey Tepnar	Director	\$ 35,000.00	10/3/2023	SVB *0719	Board Salary - October
BlockFi Trading LLC	Alan Carr	Director	\$ 35,000.00	10/3/2023	SVB *0719	Board Salary - October
BlockFi Wallet LLC	Pamela Corrie LLC	Director	\$ 35,000.00	10/3/2023	SVB *0719	Board Salary - October
BlockFi International Ltd	Jill Frizzley	Director	\$ 35,000.00	10/3/2023	SVB *0719	Board Salary - October
BlockFi Inc	Jennifer Hill	Director	\$ 35,000.00	10/3/2023	SVB *0719	Board Salary - October
BlockFi Inc	Scott Vogel	Director	\$ 85,000.00	10/3/2023	SVB *0719	Board Salary - September/October + Hearing Fees

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Schedule of Payments to Professionals

Name of Professional	Role	Date of Retention	Amount Approved by Court ¹	Retainer and Cumulative Amounts ¹	Amount Paid Over and Above Retainer
Berkeley Research Group, LLC	Company's Financial Advisor	12/30/2022	\$ 227,355	\$ 13,742,704	\$ 13,153,350
Brown Rudnick	Official Committee of Unsecured Creditors Counsel	n/a	\$ 283,668	\$ 9,821,276	\$ 9,821,276
Cole Schotz P.C.	NJ Bankruptcy Counsel	11/21/2022	\$ 41,921	\$ 1,001,916	\$ 901,916
Covington & Burling LLP	Compliance, State Regulatory Matters	11/17/2022	\$ -	\$ 323,631	\$ 263,631
Genova Burns	Official Committee of Unsecured Creditors Counsel	n/a	\$ 64,686	\$ 865,594	\$ 865,594
Haynes and Boone, LLP	Bankruptcy Counsel	11/13/2022	\$ -	\$ 10,475,983	\$ 9,725,983
Hodgson Russ	Ordinary Course Professionals (OCP)	n/a	\$ -	\$ 2,258	\$ 2,258
Kirkland & Ellis LLP	Bankruptcy Counsel	11/15/2022	\$ 1,061,799	\$ 16,632,033	\$ 14,632,033
Kroll Restructuring Administration	Claims and Noticing Agent Services	11/17/2022	\$ 676,232	\$ 13,761,284	\$ 13,611,284
McCarter & English	Efficiency Counsel to the Official Committee of Unsecured Creditors	2/9/2023	\$ -	\$ 2,129,476	\$ 2,129,476
Moelis & Company, LLC	Company's financial advisor, capital markets advisor and investment banker	11/20/2022	\$ 6,014,643	\$ 9,416,566	\$ 8,691,566
Morris, Nichols, Arsht and Tunnel	DE Counsel for FTX bankruptcy	11/16/2022	\$ -	\$ 232,552	\$ 207,552
Schjodt	Norwegian counsel (Mining workout)	11/17/2022	\$ 21,461	\$ 239,368	\$ 124,368
US Bankruptcy Trustee	US Bankruptcy Trustee	n/a	\$ 250,250	\$ 844,484	\$ 844,484
M3 Advisory Partners, LP	Official Committee of Unsecured Creditors Financial Advisor	1/25/2023	\$ 736,087	\$ 4,672,119	\$ 4,672,119
Deloitte Tax LLP	Tax Services Provider	3/1/2023	\$ -	\$ 198,647	\$ 198,647
Elementus	Official Committee of Unsecured Creditors Financial Advisor	1/25/2023	\$ -	\$ 1,298,021	\$ 1,298,021

¹ For the avoidance of doubt, the amounts reflected in the columns titled "Approved Current Month" and "Approved Cumulative" represent amounts that have been paid pursuant to monthly fee applications following the applicable objection deadlines in accordance with the Administrative Fee Order [Docket No. 307], but which have not yet been "allowed" pursuant to order of the Court.

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Schedule of Capital Assets

Asset Type	10/1/23 BV	Amortization	10/24/23 BV
Fixed Assets	\$ 7,536	\$ -	\$ 7,536
Internally Developed Software	2,726,997	-	2,726,997
Leasehold Improvements	59,440	-	59,440
Software	58,333	-	0
Total	\$ 2,852,306	\$ -	\$ 2,793,972